P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET		
PSEi		
OPEN:	7,037.99	
HIGH:	7,085.52	
LOW:	7,008.07	
CLOSE:	7,085.52	▼ 5.88 PTS. 0.08%
VOL.:	0.772 B	
VAL(P):	5.210 B	

30 DAYS TO JANUARY 6, 2022

ASIAN MARKETS — JANUARY 6, 2022	CLOSE		NET	%
Japan (Nikkei 225)	28,487.87	▼	-844.29	-2.88
Hong Kong (Hang Seng)	23,072.86	▲	165.61	0.72
Taiwan (Weighted)	18,367.92	▼	-132.04	-0.71
Thailand (SET Index)	1,656.21	▼	-20.58	-1.23
S.Korea (Kse Composite)	2,920.53	▼	-33.44	-1.13
Singapore (Straits Times)	3,183.07	▲	19.63	0.62
Sydney (All Ordinaries)	7,358.30	▼	-207.50	-2.74
Malaysia (Klse Composite)	1,533.36	▼	-14.59	-0.94

WORLD MARKETS — JANUARY 5, 2022	CLOSE		NET
Dow Jones	36,407.110	▼	-392.540
NASDAQ	15,100.174	▼	-522.544
S&P 500	4,700.580	▼	-92.960
FTSE 100	7,516.870	▲	11.720
Euro Stoxx50	3,866.600	▲	2.250

PESO-DOLLAR RATES — FX	
OPEN	P51.030
HIGH	P50.990
LOW	P51.230
CLOSE	P51.180
W.AVE.	P51.131
VOL.	$1,151.10 M

▼ 22.00 CTVS
30 DAYS TO JANUARY 6, 2022
SOURCE : BAP

ASIAN MONIES-US$ RATE — JANUARY 6, 2022	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	115.710	▲	115.830
Hong Kong (HK dollar)	7.801	▼	7.794
Taiwan (NT dollar)	27.643	▼	27.592
Thailand (baht)	33.520	▼	33.200
S. Korea (won)	1,205.680	▼	1,198.130
Singapore (dollar)	1.360	▼	1.355
Indonesia (rupiah)	14,390	▼	14,355
Malaysia (ringgit)	4.211	▼	4.192

WORLD CURRENCIES — JANUARY 6, 2022	CLOSE		PREVIOUS
US$/UK pound	1.3512	▼	1.3542
US$/Euro	1.1305	▲	1.1303
$/Aust dollar	0.7156	▼	0.7243
Canada dollar/US$	1.2788	▲	1.2713
Swiss Franc/US$	0.9181	▲	0.9151

DUBAI CRUDE OIL
FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$78.40/BBL
▲ $0.91
30 DAYS TO JANUARY 5, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 6, 2022 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ACEN	P9.650	P477,288,563	-P0.450	▼	-4.455%
SM	P947.000	P348,426,780	P17.500	▲	1.883%
SECB	P109.000	P291,770,524	-P4.000	▼	-3.540%
ICT	P193.500	P279,893,869	-P4.500	▼	-2.273%
CNVRG	P31.200	P252,692,190	-P0.200	▼	-0.637%
SMPH	P33.500	P220,721,135	-P0.850	▼	-2.475%
AC	P848.000	P197,665,655	P4.500	▲	0.533%
ALI	P34.900	P187,778,115	P1.150	▲	3.407%
MONDE	P16.220	P180,184,682	P0.220	▲	1.375%
JGS	P56.300	P167,847,250	-P0.200	▼	-0.354%

BSP eyes careful exit from easy policy

AS CENTRAL BANKS around the world have started taking steps to unwind policy support, Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said the timing of the exit from its easy policy "remains very uncertain" but assured the transition would be done smoothly.

"Given the nascent economic recovery, the priority for the BSP is to ensure the sustainability of the recovery and prevent long-term scarring effects," Mr. Diokno said at an online briefing on Thursday.

"We would like to emphasize that the timing of the exit remains very much uncertain at this time. The threat of further coronavirus disease 2019 (COVID-19) infections continues to pose a downside risk to both growth and inflation in the coming months," he added.

The Health department on Thursday reported 17,220 new COVID-19 cases, bringing active cases to 56,561.

Mr. Diokno said the BSP's approach will be "outcome-based" and not a calendar-based exit strategy. He said this will depend on the evolution of various domestic factors including liquidity and credit dynamics, financial sector risk and the state of public health as well as evolving global developments and potential spillovers.

In his presentation, Mr. Diokno outlined the BSP's exit strategy, which include returning-to-normal operations, unwinding liquidity provision, reducing monetary accommodation, and preparing for the next crisis.

Under the strategy's reduction of monetary accommodation component, there will be an eventual raising of interest rates "when prospects for the economy have materially improved."

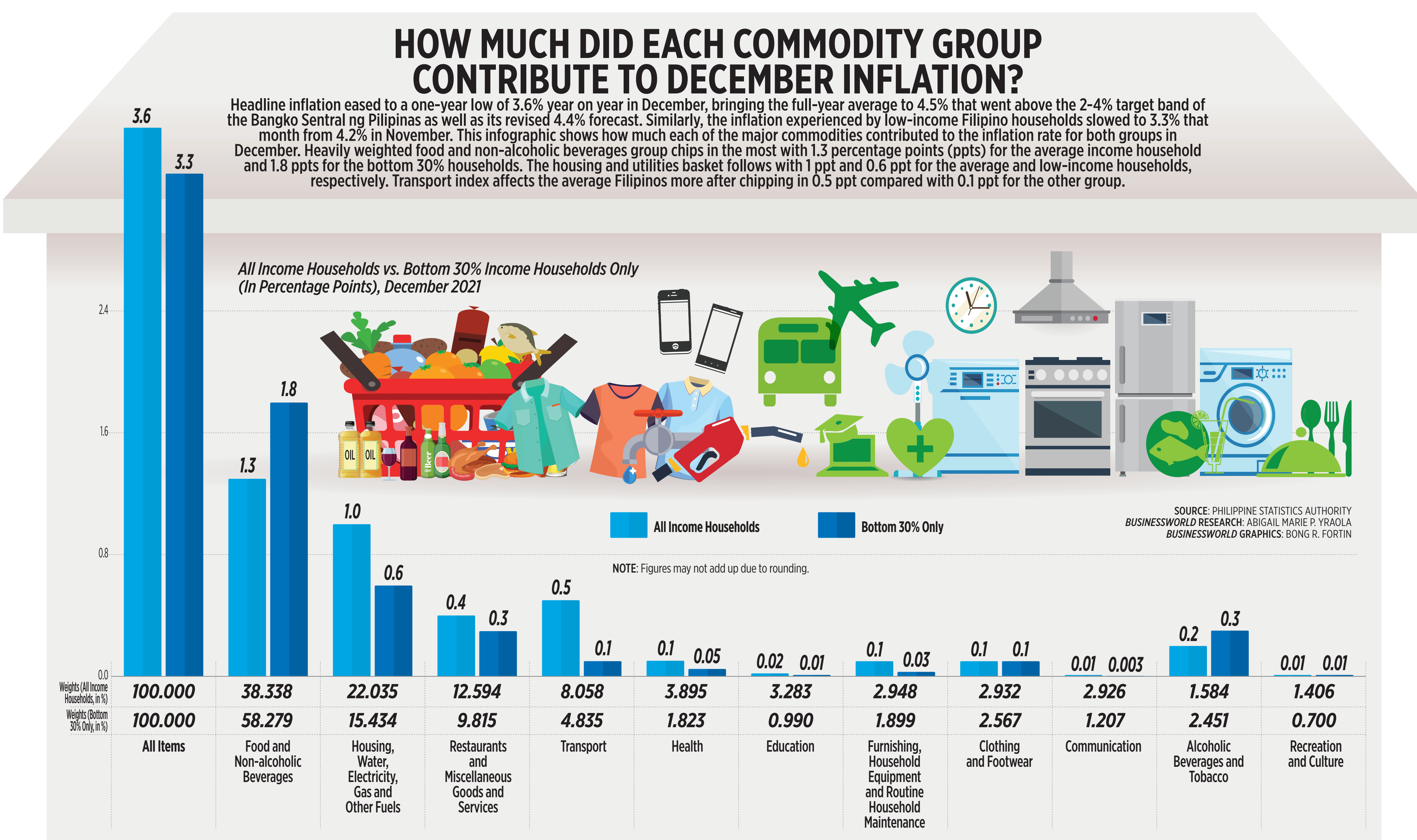
The central bank kept policy rates at record lows for the entire 2021 to support recovery, with the BSP stressing that elevated inflation caused by low supply in meat products will be better addressed by non-monetary measures. Prior to this, the Monetary Board slashed rates by a total of 200 basis points to support the economy.

This year, the Monetary Board will have its first policy review on Feb. 17.

"Future monetary policy decisions will continue to be anchored on evolving domestic and external developments to avoid unintended consequences associated with prolonged monetary accommodation, such as excessive buildup in leverage and risks to financial stability, or the emergence of inflationary pressures and disanchoring of inflation expectations," Mr. Diokno said.

Inflation eased to 3.6% in December from 4.2% in November. This brought 2021 average inflation to 4.5%, exceeding the central bank's 2-4% target band. The central bank expects inflation to be within target for 2022 and 2023 at 3.4% and 3.2%, respectively.

BSP, S1/10



	All Items	Food and Non-alcoholic Beverages	Housing, Water, Electricity, Gas and Other Fuels	Restaurants and Miscellaneous Goods and Services	Transport	Health	Education	Furnishing, Household Equipment and Routine Household Maintenance	Clothing and Footwear	Communication	Alcoholic Beverages and Tobacco	Recreation and Culture
Weights (All Income Households, in %)	100.000	38.338	22.035	12.594	8.058	3.895	3.283	2.948	2.932	2.926	1.584	1.406
Weights (Bottom 30% Only, in %)	100.000	58.279	15.434	9.815	4.835	1.823	0.990	1.899	2.567	1.207	2.451	0.700

Tax relief for private schools signed into law

A LAW that would explicitly qualify private schools and nonprofit hospitals for tax relief has been signed by President Rodrigo R. Duterte.

Republic Act (RA) No. 11635 or the Proprietary Educational Institutions Tax Act amends Section 27(B) of the National Internal Revenue Code to make clear that private schools and nonprofit hospitals are eligible for a temporary 1% tax under RA 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

The CREATE Act had lowered the tax rate to 1% for pandemic-hit enterprises from July 2020 to June 2023.

Under RA 11635, nonprofit hospitals and proprietary educational institutions will be given a tax rate of 10% once CREATE expires.

However, if private schools and hospitals' gross income from unrelated trade, business, or other activity exceeds 50% of the total gross income, the 10% tax rate will be imposed.

Without such concessions, these institutions are liable for the regular corporate rate of 25%.

"It's a 90% tax discount under CREATE law. That's the biggest tax cut this country has given to any sector in recent history," said Albay Rep. Jose Ma. Clemente S. Salceda, chair of the House Ways and Means Committee and primary author of the law, in a statement on Thursday.

He said the committee will request the Bureau of Internal Revenue to expedite the release of revenue regulations, so the new law "expunges any liabil-

Schools, S1/10

PHL healthcare benefit costs to rise this year

HEALTHCARE benefit costs sponsored by employers in the Philippines are likely to go up by an average of 14.4% this year, according to global advisory, broking, and solutions firm Willis Towers Watson (WTW).

WTW said in a statement it conducted the 2022 Global Medical Trends Survey among medical insurers which showed that healthcare benefit costs are expected to rise by 14.4% this year. This is slightly lower than 16.4% increase seen in 2021 but higher than 6.4% uptick in 2020.

According to WTW, the leading driver of medical costs is the overuse of care due to medical professionals recommending too many services or overprescribing.

Healthcare, S1/10

PHL lowers minimum investment hurdle for foreign retail enterprises

By Alyssa Nicole O. Tan *and* Revin Mikhael D. Ochave *Reporter*

PRESIDENT Rodrigo R. Duterte has signed a law that significantly lowers the minimum investment hurdle for foreign retailers, which the government hopes will attract more foreign direct investments into the Philippines.

Republic Act (RA) No. 11595 reduced the minimum paid-up capital for foreign retailers to P25 million from the previous $2.5 million (around P125 million) under the 20-year-old Retail Trade Liberalization Act of 2000 (RA 8762).

Mr. Duterte signed the law on Dec. 10, 2021 but a copy of the bill was released only on Thursday.

Under the law, the foreign retailer's country of origin must not prohibit the entry of Filipino retail enterprises.

Foreign retailers that have more than one physical store should also have a minimum investment per store of at least P10 million.

Sought for comment, Philippine Retailers Association (PRA) Vice Chairman Roberto S. Claudio said in an e-mail interview that micro, small, and medium enterprises (MSMEs) involved in the retail sector will be the most affected by the law since they will now have to compete with foreign retailers.

"The rest of the (country's) retail sector have prepared and adjusted to having foreign retailers since the implementation of RA 8762 in 2000. We already have allowed foreign retailers since 2000... We will offer to assist in the drafting of the implementing rules and regulations of RA 11595 to be able to come up with a clear implementation of this amended law," Mr. Claudio said.

Philippine Chamber of Commerce and Industry (PCCI) President George T. Barcelon said in a mobile phone message that the P25-million minimum paid-up capital is "more realistic" compared with the original proposal of just P10 million.

Retail, S1/10

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